

Registrar Bulletin No. 10 FH

Enrolment Process for Freehold

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What This Bulletin Is About

Overview

This document summarizes the process for licensed vendors and builders to apply to Tarion to sell and build freehold homes involving OBC Part 9 construction only. A separate Registrar Bulletin 10CH deals with contract homes and Registrar Bulletin 10C deals with low-rise and high-rise condominium projects.

It is a provincial offence for you to sell or build a home without first obtaining a licence from the Home Construction Regulatory Authority (the HCRA); and without first applying to Tarion and receiving the appropriate approval for the homes you want to sell and build.

In addition, you must accept and agree to fulfill all the Tarion terms and conditions, as they may apply, related to any homes before you can build or sell them.

The enrolment approval process is described below.

1. Obtain your licence from Home Construction Regulatory Authority

You must first make sure that you are **licensed by the Home Construction Regulatory Authority** both as a vendor and a builder.

2. Apply to Tarion for an approval to sell homes (Qualification for Enrolment)

You cannot enter into agreements to sell homes until you have obtained an approval to sell the homes from Tarion.

You can apply using an **Application to Sell Homes** to Tarion. The application can be completed through **BuilderLink**.

When you apply, you can seek approval for all the homes that you plan to sell over the next 12 months. We recommend that you do so at or near the time that you receive your Licence from the **Home Construction Regulatory Authority, or at or near the time of your Licence renewal.**

Your application will include information about your organization and what you plan on building and selling in the next 12 months including:

- The estimated number of homes;
- Particulars of the type of homes, the geographic areas where are intending to build, and estimated sales price ranges;
- Financial documentation and other business information about your organization to support your capacity to build and sell homes and provide after-sales service;
- Financial support provided to you by way of third-party indemnitors (if applicable); and
- Other additional information reasonably requested by Tarion to help to develop a risk and underwriting assessment for the work you are proposing.

Your application will also include the standard Tarion Vendor and Builder Agreement, which you must sign as part of the application process. This can be done electronically through **Builderlink**.

3. Obtain your approval to sell (your “Qualification for Enrolment” Confirmation)

Tarion will assess your **Application to Sell Homes** and give you a written response outlining the terms and conditions that will apply to your proposal to build and sell.

The terms and conditions will set out:

1. The requirement to pay applicable enrolment and regulatory fees prior to commencing construction of the home (these can be paid through **Builderlink**);
2. What amount, form and terms of any security that may apply to you in relation to your proposed construction;
3. Other conditions Tarion may reasonably request in order to mitigate risks and underwrite the warranty obligations relating to the proposed construction.

When the terms and conditions and requirements are settled, we will issue you a QFE confirmation relating to your sales proposal.

Once you have received your QFE confirmation you can proceed to enter into agreements of purchase and sale for those homes.

The QFE confirmation is your approval from Tarion to sell.

*Note: if after you have obtained your **QFE confirmation**, you wish to increase the number of homes, you need to contact us then we can work with you to determine what will be possible, and review and adjust your risk assessment, terms and conditions, and your QFE confirmations as needed (depending on the nature of the request, a new QFE may have to be issued).

4. Obtain your approval to Build the homes prior to commencing construction (obtain your Enrolment Confirmation)

You must **enrol** all of the homes with Tarion before you commence construction.

This step can be done using **BuilderLink**. To obtain an **Enrolment Confirmation** for a home, you can log into BuilderLink and:

- Pay the **applicable enrolment fee and regulatory fees**;
- Meet any security requirements relating to the homes;
- Update any information previously provided to Tarion (for example, particulars of the homes applied for such as municipal address).

Once you complete all of the requirements, Tarion will issue the **Enrolment Confirmation** and you can begin construction of the home.

The Enrolment Confirmation is your authorization from Tarion to build.

Your home(s) are now enrolled with the program.

Process where you are only applying to Build (not sell)

You must enrol homes with Tarion before you can build them. If you are only applying to build homes and not sell them (for example you will partner with a Vendor), you must still obtain a licence from the Home Construction Regulatory Authority and then you must apply to Tarion to enrol the homes. You will be asked to:

- File a proposal outlining the homes you plan to build
- You must sign a builder agreement with Tarion
- You must meet applicable terms and conditions required for enrolment which will include the payment of fees, provision of security, and the provision of financial information, and other conditions Tarion may reasonably require.

Once you complete all of the requirements, Tarion will issue the **Enrolment Confirmation** and you can begin construction of the home.

Separate Vendor and Builder of a Home

Where the vendor and the builder are separate entities who plan to work together to sell and build a home, either the vendor or builder may apply the steps outlined above to obtain the approval to sell and build.

If you are licensed only as a vendor you will be asked to provide information about the builder who will build the proposed home. If you are licensed only as a builder you will be asked to provide information about the vendor who will sell the proposed home.

The vendor will be required to sign a Vendor Agreement with Tarion. The builder will be required to sign the Builder Agreement with Tarion.

If terms and conditions apply to a home, the conditions may be satisfied by either the vendor or builder, unless the conditions specify otherwise.

Only the vendor can sell the home (i.e. enter into purchase agreement and subsequently transfer title). Only the builder can perform the construction of the home and act as the builder throughout the course of construction.

Ongoing Review by Tarion

Tarion may review your terms and conditions, financial situation, licensing status, and the status of your construction and warranty service record, on an ongoing basis, including annually; and may request changes to your terms and conditions on an ongoing basis to reasonably reflect any changes to your risk assessment.

Any proposed changes will be set out and explained to you in writing in a terms and conditions letter.

In extraordinary cases, if it is in the public interest to do so, or if the nature of the construction ceases to meet the definition of home under the ONHWP Act, Tarion may revoke your approval to sell homes as set out in the QFE. This would be done by way of a Notice of Proposal to refuse or revoke, and you would have appeal rights as described below.

A failure to abide by your terms and conditions may result in sanctions from Tarion, a refusal to approve further homes for sale, a revocation of approvals already given, and may result in a request to the Home Construction Regulatory Authority to take action on your licence to sell and build homes.

Dispute Resolution

If you disagree with the terms and conditions proposed by Tarion, or wish to dispute a refusal or revocation of an approval to sell, the first step is to try to work the issues out with Tarion. We will explain the basis for the terms and conditions and will work with you to try to resolve the concerns you may have. For example, if the issue relates to a lack of equity, it may be that terms can be adjusted if you are able to provide additional financial information, bring in a third party guarantor to support your financial application, or reduce the number of homes you are proposing to sell.

If you are unable to resolve your dispute, you can appeal the terms and conditions to the Licence Appeal Tribunal (Tribunal). An appeal must be filed within 15 days of receiving Tarion's decision to propose terms and conditions or refuse the application.

Questions

If you have any questions about this process, contact the Underwriting department at 1-877-696-6497, extension 3001, or email us at Underwriting@tarion.com.

Registrar

"Peter Balasubramanian"